II. FSP RATES OF ENTRY AND EXIT

To analyze trends in FSP entry and exit, we computed monthly replacement rates and exit rates. Replacement rates reflect the number of individuals entering the program relative to the previous month's caseload. Exit rates reflect the number of individuals leaving the program as a percentage of the previous month's caseload. Formally, the definitions of these rates are:

Replacement Rate (r_t): Number of new entrants *e* in month *t* divided by total participants *p* in month *t-1*

$$r_t = e_t / p_{t-1} \quad (3)$$

Exit Rate (n_t): Number of exiters *x* in month *t* (i.e., participants in month *t-1* not participating in month *t*) divided by total participants *p* in month *t-1*

$$n_t = x_t / p_{t-1} \quad (4)$$

Combined, these rates reveal how the caseload changes over time. In each month *t*, the total number of participants *p* can be calculated as:

$$p_t = p_{t-1} - x_t + e_t \quad (5)$$

And the growth rate can be computed as:

$$g_t = r_t - n_t \quad (6)$$

In this chapter, estimates derived from the FSPQC and SIPP data are discussed separately.

A. RESULTS FROM FSPQC-BASED ANALYSIS

The FSPQC data identify each household's date of entry into the FSP. Therefore, in each month of FSPQC data, we can compute an estimate of new entrants—those individuals who

began receiving food stamps that month.[7] The number of new entrants in a given month, divided by the previous month's total caseload size, is the replacement rate for that month.

Computing the exit rate in FSPQC data is more difficult. Because the FSPQC data do not provide estimates of non-FSP participants, we cannot directly observe the number of individuals that exit each month. Instead, we rearrange equation (5) to compute the number of exiters as:

$$x_t = p_{t-1} + e_t - p_t \qquad (7)$$

As a result of this computation, any errors in estimating replacement rates in FSPQC will also affect exit rates.

For this analysis, we computed average annual growth, replacement, and exit rates for each year from 1990 to 2002. We examined these rates for four key periods of caseload change, each about 3 years in duration and reflecting different stages of the caseload growth cycle:

1. ***Caseload Growth I***: Between August 1990 and July 1993, the number of individuals participating in the program increased by more than 37 percent.
2. ***Caseload Decline I***: Between August 1993 and July 1996, the number of individuals participating in the program declined by 14 percent.
3. ***Caseload Decline II***: Between August 1996 and November 1999, the number of individuals participating in the program declined by more than 25 percent.
4. ***Caseload Growth II***: After December 1999, the FSP caseload began growing again, increasing almost 15 percent by June 2002.

Growth rates and replacement rates were highest during the first caseload growth period in the early 1990s (see Table 6 and Figure 3). In an average month of this period, 7.5 percent of the previous month's caseload was replaced by new entrants, and 6.7 percent of the previous

[7] As discussed in the previous chapter, the number of new entrants is not representative, but we make adjustments to improve the estimate of new entrants each month.

TABLE 6

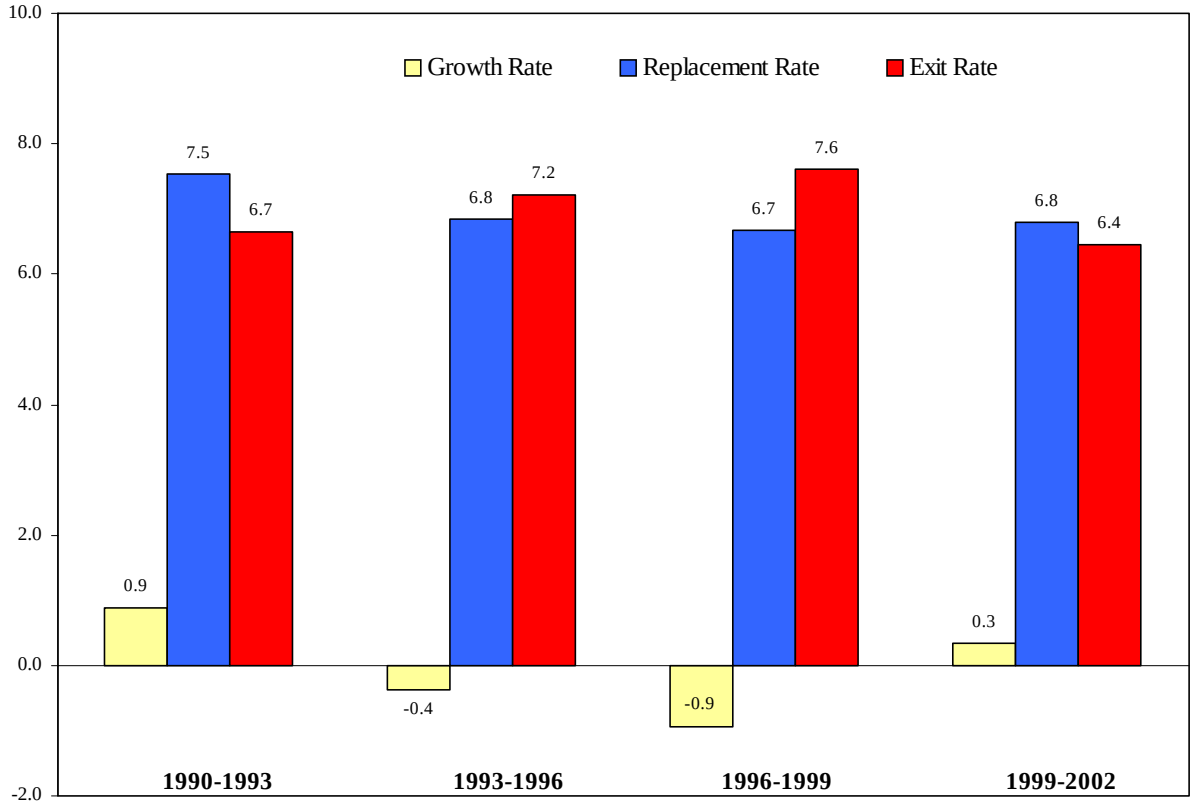
AVERAGE MONTHLY FSPQC-BASED GROWTH, REPLACEMENT, AND EXIT RATES, 1990-2002

Period	Average Monthly Growth Rate	Average Monthly Replacement Rate	Average Monthly Exit Rate
Caseload Growth I: 1990-1993			
August 1990 – July 1991	1.4	8.3	6.9
August 1991 – July 1992	0.5	7.3	6.8
August 1992 – July 1993	0.8	7.0	6.2
Overall	*0.9*	*7.5*	*6.7*
Caseload Decline I: 1993-1996			
August 1993 – July 1994	-0.3	7.1	7.4
August 1994 – July 1995	-0.5	6.4	6.9
August 1995 – July 1996	-0.2	7.0	7.3
Overall	*-0.4*	*6.8*	*7.2*
Caseload Decline II: 1996-1999			
August 1996 – July 1997	-1.3	6.5	7.7
August 1997 – July 1998	-1.1	6.4	7.5
August 1998 – October 1999	-0.6	7.0	7.6
Overall	*-0.9*	*6.7*	*7.6*
Caseload Growth II: 1999-2002			
November 1999-October 2000	0.0	6.6	6.6
November 2000-October 2001	0.4	7.0	6.6
November 2001-June 2002	0.9	6.8	6.0
Overall	*0.3*	*6.8*	*6.4*
Overall 1990-1999	-0.2	7.0	7.2
Overall 1990-2002	0.0	7.0	7.0

Source: FSPQC data for years shown.

FIGURE 3

AVERAGE MONTHLY FSPQC-BASED GROWTH, REPLACEMENT, AND EXIT RATES, 1990-2002



SOURCE: FSPQC data for years shown

month's caseload exited the program. This led to an average monthly growth rate of 0.9 percent. The growth rates were highest in the 1991-1992 period.

During the caseload decline between 1993 and 1996, the average monthly replacement rate fell to 6.8 percent, while the average monthly exit rate increased to 7.2 percent, and the caseload declined by an average of 0.4 percent per month. In the late 1990s, during the second period of caseload decline, the average monthly replacement rate was slightly lower at 6.7 percent, while the exit rate climbed to 7.6 percent. In this period, the caseload declined by an average of 0.9 percent each month.

In 2000, the caseload began to climb again. During the second period of caseload growth, the average monthly replacement stayed about the same as in previous years—6.8 percent—but the average monthly exit rate declined to 6.4 percent, yielding an average monthly growth rate of 0.3 percent.

To better understand caseload dynamics within each of the four analysis periods, we present the trends in replacement and exit rates in Figure 4. The trend lines are estimated through an ordinary least squares regression of the replacement and exit rates for each month. This reflects the within-period direction of the replacement and exit rates and it helps to illustrate the individual roles of entry and exit patterns in explaining caseload trends.

1. ***Caseload Growth I***: During this period, the replacement rates fell sharply, approaching the exit rates. This contributed to the tapering of caseload growth at the end of the period. It should be noted that the exit rates also fell over this period, thus contributing to the overall caseload growth.

2. ***Caseload Decline I***: Replacement and exit rates were similar over this period. Exit rates remained relatively constant. The slight decline in replacement rates likely explains most of the caseload decline over this period.

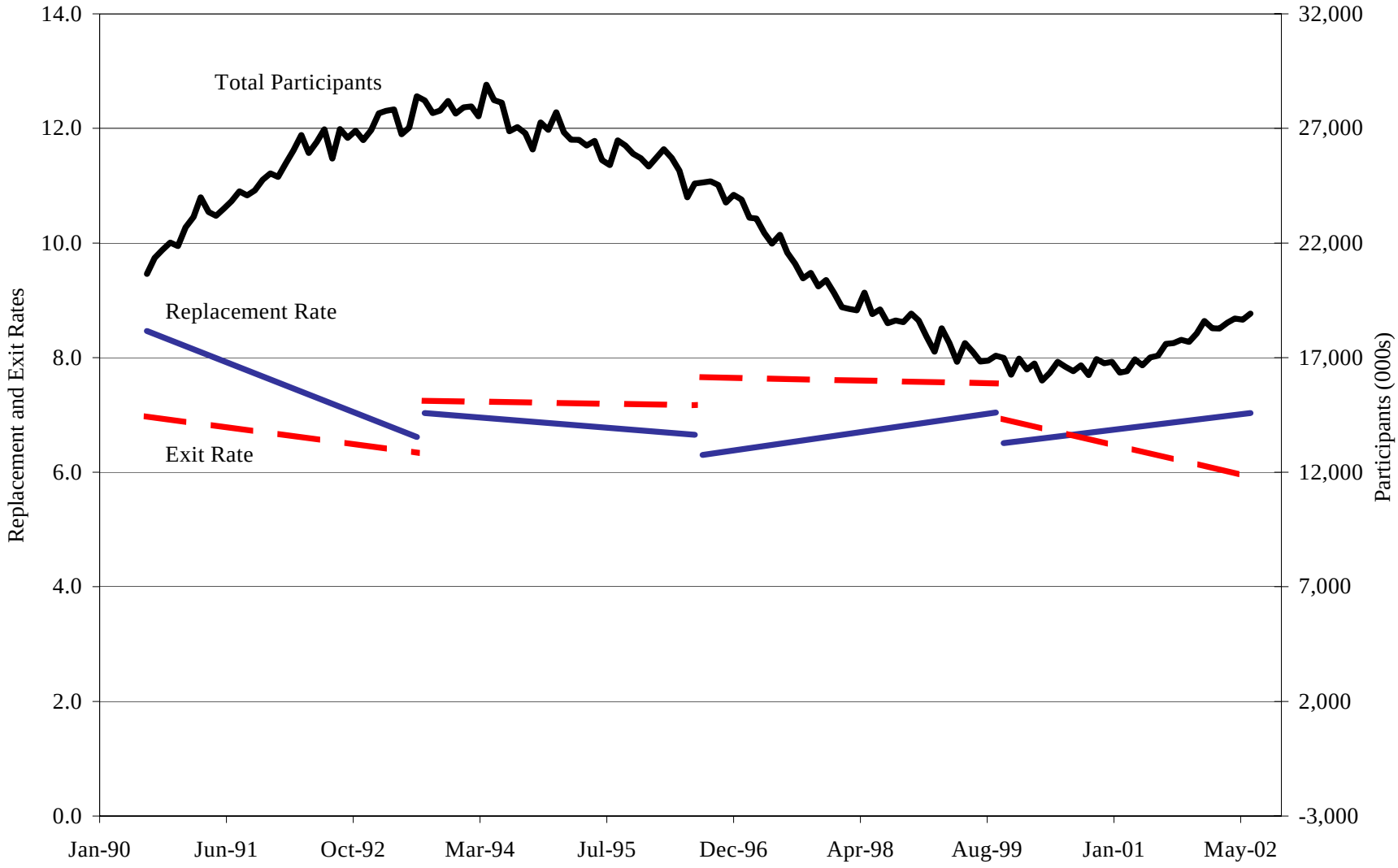
3. ***Caseload Decline II***: During the late 1990s, exit rates were substantially higher than replacement rates. The exit rates were higher than at any other point in the 1990s and remained relatively constant over the period. Replacement rates started at their lowest point during the 1990s, suggesting that the caseload declines were driven both by higher rates of exit and lower rates of entry.

4. ***Caseload Growth II***: The most recent period of caseload growth appeared to be driven both by increases in replacement rates and decreases in exit rates.

All of this information suggests that a combination of replacement and exit rate factors explained the caseload trends, with replacement rates playing a dominant role in the early 1990s and exit rates playing a dominant role in the late 1990s. To further understand how entry and

FIGURE 4

FSPQC-BASED TRENDS IN REPLACEMENT AND EXIT RATES, 1990-2002



exit patterns affect caseload changes from one period to the next, we decomposed changes in the average growth rates across these four periods. Given that the growth rate (g_t) for a given period is equal to the replacement rate (r_t) minus the exit rate (n_t), we can decompose the proportion of a change in the growth rate between periods *t* and *t+1* that is due to a change in the replacement rate (r'_{t+1}) and the proportion due to a change in the exit rate (n'_{t+1}) as:

$$r'_{t+1} = (r_{t+1} - r_t) / (g_{t+1} - g_t) * 100 \qquad (7)$$

$$n'_{t+1} = (-n_{t+1} + n_t) / (g_{t+1} - g_t) * 100 \qquad (8)$$

The results of this decomposition reflect the relative importance of replacement rate changes and exit rate changes in explaining changes in the growth rate from one period to another. For example, between 1990 and 1993, the FSP caseload grew at an average rate of 0.88 percent per month (Table 7). Between 1993 and 1996, the caseload fell at an average of -0.36 percent per month. The difference between these two growth rates was about –1.25 percentage points. Average replacement rates fell by –0.70 percentage points between these two periods, accounting for 55.7 percent of the change in growth rates. The average exit rate increased by 0.55 percentage points, accounting for 44.3 percent of the change in growth rates. This suggests that a decreasing replacement rate had somewhat more influence in explaining the shift from a period of growth to a period of slight decline than did an increasing exit rate.

The decomposition estimates presented in Table 7 support the finding that replacement rate and exit rate changes both were responsible for the shift from the growth in the early 1990s to the declines in the mid- and late 1990s. In other words, caseloads stopped growing and started

TABLE 7

DECOMPOSITION OF CHANGES IN FSPQC-BASED CASELOAD GROWTH RATES[a]

	Analysis Periods			
	Growth I to Decline I (90-93 to 93-96)	Decline I to Decline II (93-96 to 96-99)	Decline II to Growth II (96-99 to 99-02)	Growth I to Decline II (90-93 to 96-99)
Average Growth Rates				
First period	0.88	-0.36	-0.93	0.88
Second period	-0.36	-0.93	0.34	-0.93
Change	-1.25	-0.57	1.27	-1.82
Average Replacement Rates				
First period	7.54	6.84	6.67	7.54
Second period	6.84	6.67	6.79	6.67
Change	-0.70	-0.17	0.12	-0.87
Average Exit Rates				
First period	6.66	7.21	7.60	6.66
Second period	7.21	7.60	6.45	7.60
Change	0.55	0.39	-1.15	0.94
Decomposition[b]				
Percent of change in growth rate explained by change in:				
Replacement Rate	**55.7**	**30.3**	**9.0**	**47.8**
Exit Rate	**44.3**	**69.7**	**91.0**	**52.2**

[a]Rates presented in this table are the same as rates in Table 6, except the rates in this table are shown to the second decimal place.
[b]Decomposition percentages are based on rates that have not been rounded; therefore, they may not match the percentages implied by table estimates.

declining because individuals entered at a slower rate and because those participating in the program exited at a faster rate. On the other hand, an increasing exit rate explains over two-thirds of the shift from the slight decline in the mid-1990s to the steep decline in the late 1990s, and a decreasing exit rate explains almost all of the shift from the steep decline in the late 1990s to the growth in the early 2000s.

The change from slight decline to steep decline are particularly policy-relevant because the steep decline followed the sweeping welfare reform changes of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. During this period, the exit rates were higher than at any other point in the decade, and the shift in exit rates from the previous period explained 70 percent of the change in growth rates. Thus, after PRWORA, caseloads shrank predominantly because individuals exited the program at a faster rate.

B. RESULTS FROM SIPP-BASED ANALYSIS

Our SIPP-based analysis of entry and exit patterns uses the longitudinal aspect of the SIPP data. For each month of the analysis period, we identified the total number of individuals who reported that they were "covered" by food stamps. In SIPP, being covered indicates that someone in the individual's household is authorized to receive food stamps and that the benefits are intended in part to cover that individual. The number of new entrants each month is defined as the number of individuals newly reporting coverage that month. The number of exiters is defined as the number of individuals reporting that they did not receive food stamps the month after reporting that they did receive them.[8]

In identifying entry and exit, we followed the procedure used by Burstein (1993) and Gleason et al. (1998) of "closing up" gaps in participation. In particular, we assumed that sample members received food stamps in a given month if they received food stamps in the previous and subsequent months. While it is possible to have a one-month lapse in FSP

[8] Estimates for October 1995 through December 1995 were based on increasingly small sample sizes as SIPP rotation groups expired. As a result, initial estimates of replacement and exit rates portrayed extremely high volatility for those months. Using a centered moving average, we smoothed entry and exit rates for the October 1995 through January 1996 period.

participation, we believe that most of the one-month gaps in the SIPP data are due to problems with data reporting or editing.

In this analysis, left-censored and right-censored FSP participation spells were not treated as changes in FSP participation status. A left-censored spell occurred when an individual reported FSP coverage in the first month that they entered the SIPP.[9] Similarly, a right-censored spell occurred when an individual reported FSP coverage in their last month of participation in the SIPP sample. Since we did not know whether these individuals received food stamps in the subsequent month, they were not treated as FSP exiters.

The 1996 SIPP panel reflected a more volatile FSP than did earlier panels. Replacement and exit rates jumped by between one and two percentage points between the end of the 1994 panel and the start of the 1996 panel, and this difference appears sustained throughout the 1996 panel.[10] To make trends consistent over time, we adjusted all 1996 SIPP-based replacement and exit rates downward. The size of the adjustment was determined by estimating the following model:

$$r_t = \alpha + t\beta + S_t\phi + l_t^r\varphi + p_t\gamma + e \qquad (9)$$

$$x_t = \alpha + t\beta + S_t\phi + l_t^x\varphi + p_t\gamma + e \qquad (10)$$

[9] While SIPP does ask individuals who respond to the first wave of SIPP interviews about recipiency, there are no recipiency history questions for individuals who enter the SIPP sample after the first wave. If an individual who enters the SIPP after the first wave reports FSP participation in their first month, it is not possible to tell if this person is a new FSP entrant. Hence, these individuals are not treated as new entrants.

[10] The reasons for the increased volatility in the 1996 panel are not completely understood. We chose to adjust the 1996 panel downward, versus adjusting earlier panels upward, because other issues with the 1996 SIPP sample led us to question the reliability of the data (see Appendix A for more details). Because our analysis is concerned with trends, which panels are adjusted would not affect the overall conclusions.

where,

r_t = the replacement rate in month *t*
x_t = the exit rate in month *t*
S_t = an array of variables indicating the season in month *t*
l_t = the average rate (replacement or exit) in the three months preceding month *t*
p_t = a dummy variable identifying rates estimated from the 1996 SIPP panel

These models were estimated over all SIPP-based rates from the caseload peak in August 1993 to the caseload troth in May 1999.[11] The coefficient γ is the estimate of the size of the shift in entry and exit rates, and is equal to 1.8 percentage points for replacement rates and 1.2 percentage points for exit rates.[12] These amounts were subtracted from all 1996 panel estimates.

Table 8 presents the average annual growth rates, replacement rates, and exit rates from 1990 to 1999. Overall, estimates of the number of FSP participants in the SIPP are lower than in the FSPQC, as are estimated replacement and exit rates. The rates are grouped into three separate analysis periods. While the dates used to define these periods were the same as the first three periods examined with FSPQC data, the magnitude of the changes observed across these periods differed slightly from that in the FSPQC.

1. ***Caseload Growth I:*** Between August 1990 and July 1993, the number of individuals participating in the program increased by over 41 percent (compared with 37 percent in the FSPQC).

2. ***Caseload Decline I:*** Between August 1993 and July 1996, the number of individuals participating in the program declined by 8 percent (compared with 14 percent in the FSPQC).

3. ***Caseload Decline II:*** Between August 1996 and October 1999, the number of individuals participating in the program declined by more than 27 percent (compared with 25 percent in the FSPQC).

[11] The peak and troth dates are determined based on SIPP caseload estimates.

[12] Full regression results are presented in Appendix B.

TABLE 8

AVERAGE MONTHLY SIPP-BASED GROWTH, REPLACEMENT, AND EXIT RATES, 1990 THROUGH 1999

Period	Average Monthly Growth Rate	Average Monthly Replacement Rate	Average Monthly Exit Rate
Caseload Growth I: 1990-1993			
August 1990 – July 1991	1.8	5.6	3.8
August 1991 – July 1992	1.3	5.2	3.9
August 1992 – July 1993	1.1	5.0	3.9
Overall	*1.4*	*5.3*	*3.9*
Caseload Decline I: 1993-1996			
August 1993 – July 1994	0.3	4.4	4.1
August 1994 – July 1995	-0.1	4.1	4.2
August 1995 – July 1996	-0.2	4.2	4.4
Overall	*0.0*	*4.2*	*4.2*
Caseload Decline II: 1996-1999			
August 1996 – July 1997	-1.7	3.7	5.4
August 1997 – July 1998	-1.1	3.9	5.0
August 1998 – October 1999	-1.0	3.9	4.9
Overall	*-1.3*	*3.8*	*5.1*
Overall 1990-1999	0.0	4.4	4.4

Source: SIPP data for years shown.

Note: Estimates are adjusted to account for increased volatility of 1996 SIPP panel estimates. See Appendix B for rates based on unadjusted data.

As with replacement and exit rates computed in the FSPQC data, the replacement rates were highest and exit rates lowest during the period of caseload growth in the early 1990s. The average monthly replacement rate during the caseload growth period was 5.3 percent, while the average monthly exit rate was 3.9 percent, yielding an average 1.4 percent increase in the caseload each month. Also similar to FSPQC, the replacement rates were lowest and exit rates highest during the period of steep caseload decline in the late 1990s. During this period, the

average replacement rate was 3.8 percent and the average exit rate was 5.1 percent, yielding an average 1.3 percent decline in the caseload each month. In the 1993 to 1996 period, the caseload grew in the first and declined in the following two, yielding an average monthly growth rate of 0 percent. Figure 5 shows the average rates over each of the three periods.

Figure 6 presents the trends in FSP replacement and exit rates over the three analysis periods. Again, the trend lines are estimated through an ordinary least squares regression. As with the FSPQC, these results suggest that both the replacement and exit rates play a role in driving caseload trends, with the replacement rate changes affecting the caseload growth of the early 1990s and exit rate changes affecting the decline in the late 1990s.

1. ***Caseload Growth I***: As in the FSPQC data, SIPP-based replacement rates were highest at the start of the 1990s, contributing to the strong caseload growth observed during this period. Replacement rates fell over the period of caseload growth. Exit rates in the SIPP data increased slightly over the period of caseload growth. This suggests that the rate at which individuals entered the program played a primary role in explaining caseload growth in the later years of the caseload growth period.

2. ***Caseload Decline I***: Replacement and exit rates were similar over this period, with replacement rates falling slightly and exit rates increasing slightly. The caseload decline likely is explained by both factors.

3. ***Caseload Decline II***: In the caseload decline of the late 1990s, the exit rate jumped substantially higher than in earlier periods while the replacement rate continued on a relatively flat trend. The sharp increase in exit rates likely explains much of the caseload decline over this period, but the low and decreasing replacement rate also contributed.

We estimated the relative importance of replacement rate and exit rate changes in explaining changes in growth rates across these three periods (Table 9). As with FSPQC data, the SIPP data indicate that the shift from caseload growth in the early 1990s to steep caseload decline in the late 1990s was driven by a mix of changes in the replacement and exit rates. Relative to the FSPQC-based estimates, SIPP-based estimates indicate that changes in the replacement rate were

FIGURE 5

AVERAGE MONTHLY SIPP-BASED GROWTH, REPLACEMENT, AND EXIT RATES, 1990-1999

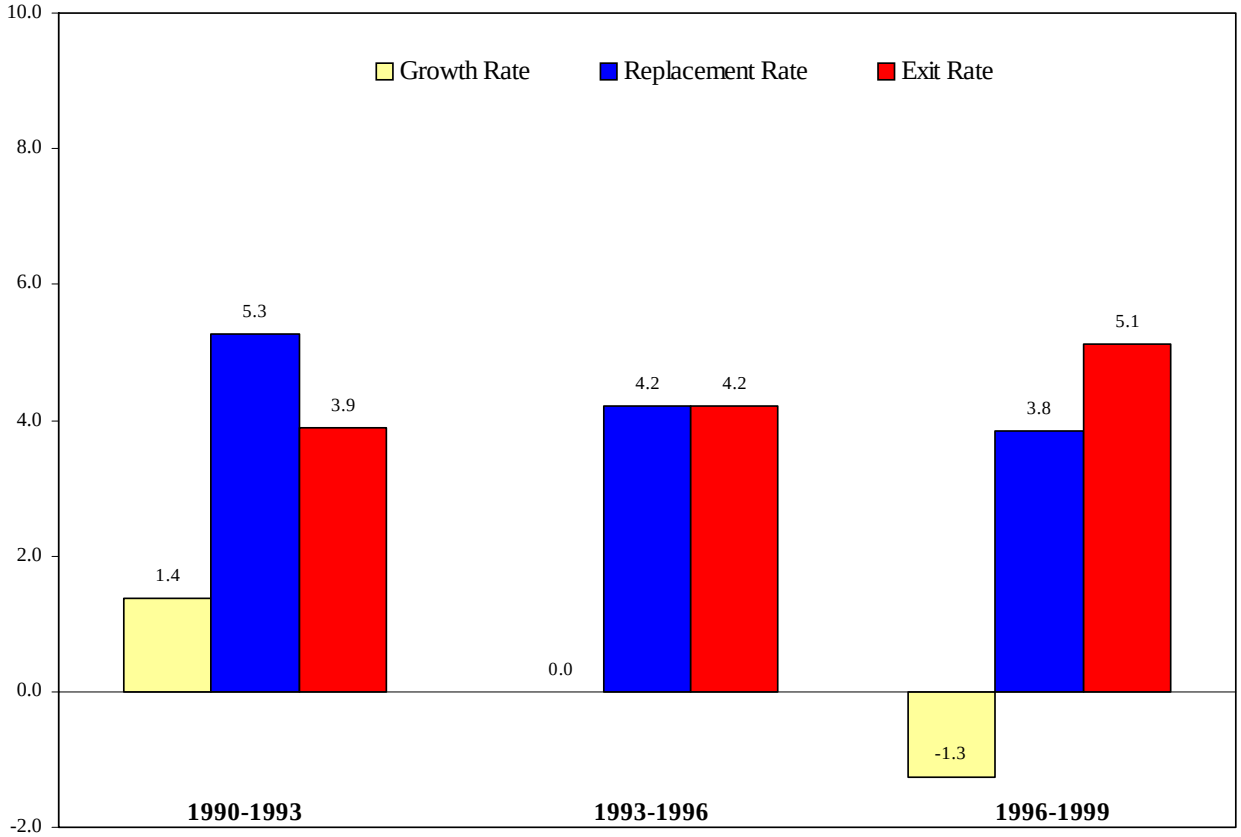


FIGURE 6

SIPP-BASED TRENDS IN REPLACEMENT AND EXIT RATES, 1990-1999

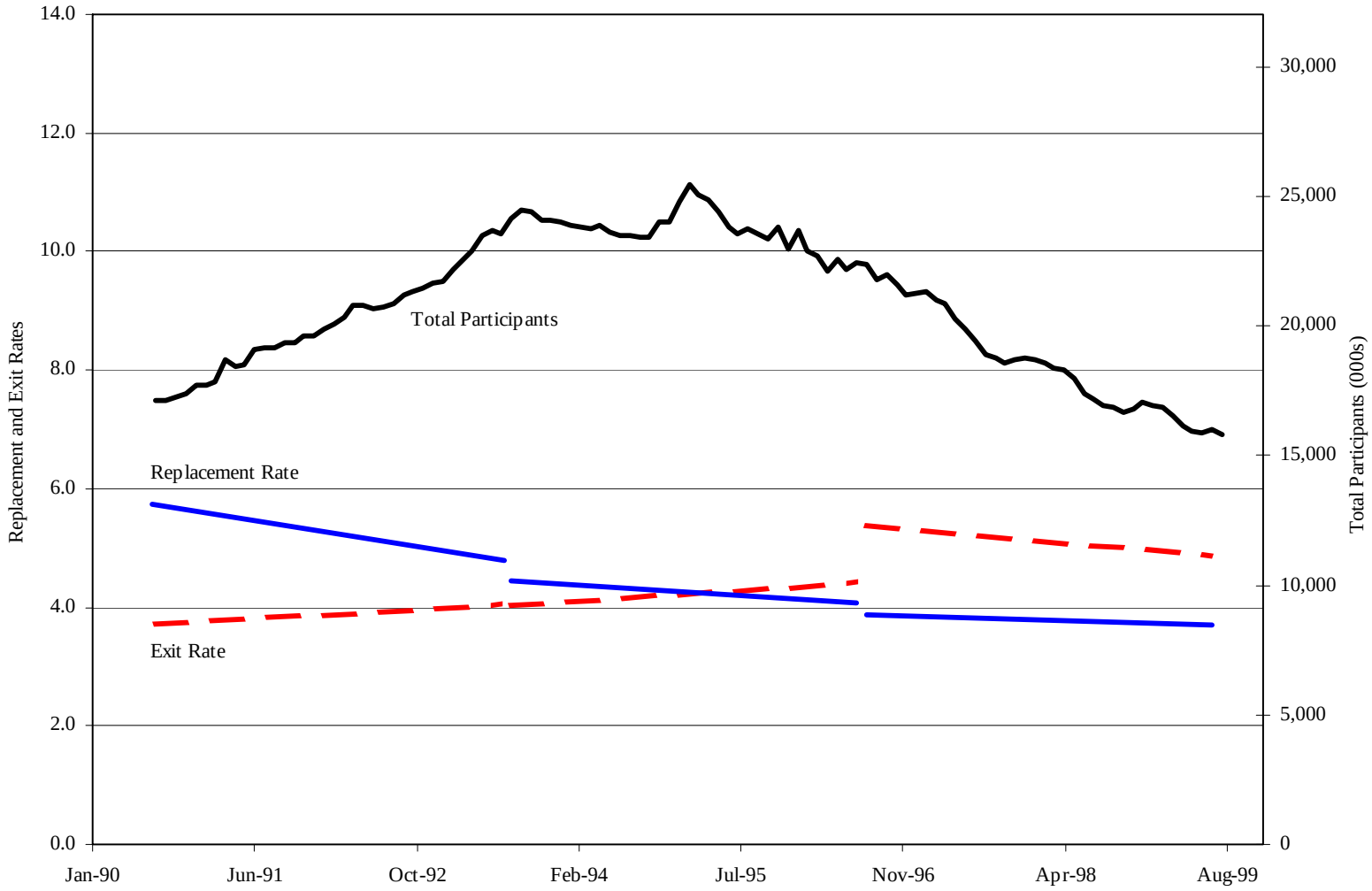


TABLE 9

DECOMPOSITION OF CHANGES IN SIPP-BASED CASELOAD GROWTH RATES[a]

	Analysis Periods		
	Growth I to Decline I (90-93 to 93-96)	Decline I to Decline II (93-96 to 96-99)	Growth I to Decline II (90-93 to 96-99)
Average Growth Rates			
First period	1.38	0.00	1.38
Second period	0.00	-1.27	-1.27
Change	-1.38	-1.27	-2.65
Average Replacement Rates			
First period	5.27	4.20	5.27
Second period	4.20	3.84	3.84
Change	-1.07	-0.36	-1.43
Average Exit Rates			
First period	3.89	4.20	3.89
Second period	4.20	5.11	5.11
Change	0.31	0.91	1.22
Decomposition[b]			
Percent of change in growth rate explained by change in:			
Replacement Rate	**77.2**	**28.2**	**53.8**
Exit Rate	**22.8**	**71.8**	**46.2**

[a]Rates presented in this table are the same as rates in Table 6, except the rates in this table are shown to the second decimal place.
[b]Decomposition percentages are based on rates that have not been rounded; therefore, they may not match the percentages implied by table estimates.

more important in explaining the shift from caseload growth in the early 1990s to the slight caseload decline of the mid-1990s, because exit rates in the SIPP increased during the early 1990s.

The SIPP results are sensitive to the assumption used to correct for the change in FSP entry and exit volatility between the early SIPP panels and the 1996 SIPP panel. Small changes in the

adjustment would lead to large changes in the relative importance of replacement and exit rates in explaining changes in growth rates (Table 10). The current regression-based adjustments subtract 1.8 percentage points from all replacement rates and 1.2 percentage points from all exit rates. Subtracting 2.0 and 1.4 percentage points respectively from the replacement and exit rates leads us to conclude that the replacement rate changes explain 61.3 percent of growth rate changes between the early and late 1990s, compared with 53.8 percent under the basic regression adjustment. It is clear that some adjustment is needed given the fact that results estimated without an adjustment are nonsensical. However, the sensitivity of results to the size of the adjustment implies that the SIPP-based results should be viewed with caution. Until we can better understand why replacement and exit rates increased so drastically in the 1996 panel, we cannot accurately determine the relative roles that replacement and exit rate changes played in driving caseload changes over this period.

C. ENTRY AND EXIT BY SUBGROUP

Differences in entry and exit patterns among various subgroups can inform our understanding of caseload dynamics. We estimated replacement and exit rates for these key subgroups:

- Single mothers
- The elderly
- Noncitizens
- Able-bodied adults without dependents (ABAWDs)

TABLE 10

PERCENT OF GROWTH RATE CHANGE EXPLAINED BY REPLACEMENT RATES FOR VARIOUS ADJUSTMENTS TO 1996 SIPP REPLACEMENT AND EXIT RATES

	Adjustment to 1996 SIPP Replacement and Exit Rates					
	No Adjustment	Regression Adjustment +0.4	Regression Adjustment +0.2	Regression Adjustment	Regression Adjustment -0.2	Regression Adjustment -0.4
Adjustment						
Replacement Rate	0.0	-1.4	-1.6	-1.8	-2.0	-2.2
Exit Rate	0.0	-0.8	-1.0	-1.2	-1.4	-1.8
Percent of growth rate change explained by replacement rate change						
Growth I to Decline I	77.2	77.2	77.2	77.2	77.2	77.2
Decline I to Decline II	-203.6	-3.3	12.5	28.2	44.0	59.8
Growth I to Decline II	-16.1	38.7	46.2	53.8	61.3	68.9

Source: 1990 through 1996 SIPP Panels.

Subgroup estimates are based on SIPP data only.[13] In constructing these estimates, subgroup status was determined in the month of entry for replacement rates and the month of exit

[13] Given that the FSPQC data are not longitudinal, we cannot estimate meaningful entry and exit patterns for subgroups. In the FSPQC data, we can identify individuals' characteristics each month, including the month of entry. However, because we only examine differences in the cross-sectional estimates from month to month, we cannot distinguish exits from the FSP while a member of a subgroup from changes in subgroup status while an FSP participant. Hence, the subgroup exit rates capture both types of changes, and the exit rates also are mitigated by any FSP participants whose status changes into the subgroup population. Moreover, our weighting adjustment used to account for the undersample of individuals in their first month of participation was not constructed with subgroup control totals or target proportions in mind. Hence, the weighting adjustment could lead to biased estimates.

for exit rates.[14] Thus, an FSP participant who turned 60 while receiving food stamps is not considered an elderly new entrant since they were not elderly when they entered the program. Likewise, an ABAWD whose status changes to non-ABAWD but who continues to receive food stamps is not considered an ABAWD that exits.

As with the analysis of replacement and exit rates for all individuals, regression adjustments were needed in the 1996 SIPP panel to account for changes in volatility across panels. The adjustments created for each subgroup are listed in Table 11.[15]

Figure 7 presents the average replacement and exit rates for subgroups in each of the three analysis periods. The results for each subgroup are:

- ***Single Mothers.*** Single mothers had relatively stable average entry rates across the three periods. The average replacement rate was 3.6 percent in the early 1990s and 3.5 percent in the late 1990s. The average exit rate, on the other hand, increased from 2.4 percent in the early 1990s to 4.6 percent in the late 1990s. This suggests that the decline in the number of single mothers participating in the FSP in the late 1990s was driven by higher exit rates (shorter participation spells) among participants.
- ***Elderly.*** Among the elderly, the average exit rate remained relatively constant over the 1990s. However, the replacement rate was cut in half, falling from about 3.1 percent in the early 1990s to 1.5 percent in the late 1990s. As a result of fewer seniors entering the FSP, the elderly caseload declined in the late 1990s.
- ***Noncitizens.*** The average replacement rate for noncitizens was similar during the caseload growth of the early 1990s and the caseload decline of the late 1990s. The average exit rate among noncitizens increased from 3.8 percent in the early 1990s to 5.3 percent in the late 1990s. This suggests that the eligibility restrictions of welfare reform did little to change the rate at which noncitizens entered the program, but may have influenced how long they stayed in the program.

[14] The working poor subgroup is not examined in this section because of difficulties in distinguishing changes in employment status from caseload entry and exit. In Chapter III, we do examine the spell lengths of individuals that were working when the entered the FSP.

[15] As with the results for all individuals, decomposition estimates for subgroups are highly sensitive to these adjustments. As a result, we do not publish decomposition estimates here.

TABLE 11

ADJUSTMENTS TO 1996-BASED REPLACEMENT AND EXIT RATES BY SUBGROUP

	Replacement Rate Adjustment	Exit Rate Adjustment
Total FSP	-1.8	-1.2
Subgroup		
Single mothers	-0.5	-0.2
Elderly	-1.9	-0.9
Noncitizens	-0.5	-1.1
ABAWDs	-2.4	-3.6

- ***ABAWDs.*** As with the working poor, the ABAWD population is relatively small, so replacement and exit rates tend to be higher than those of other subgroups. Average replacement rates decreased from 13.3 percent in the early 1990s to 10.1 percent in the late 1990s. Average exit rates increased from 10.5 percent in the early 1990s to 11.8 percent in the late 1990s. This suggests that declines among ABAWD participants were driven both by decreased entry in the program and faster exit from the program.

In short, among these subgroups, only ABAWDs caseload trends appeared to be affected by a combination of changes in replacement rates and exit rates. Caseload changes for single mothers and noncitizens appeared to be driven by the changes in the exit rate, while caseload changes for the elderly appeared to be driven by changes in the replacement rate.

In addition to examining replacement and exit rates for subgroups, we used SIPP data to examine some of the characteristics of individuals after exiting the FSP. In this analysis, we focused on whether there were changes in the characteristics and experiences of food stamp leavers between the early 1990s—during the period of caseload growth and before PRWORA was passed—and the late 1990s—during the period of caseload decline and after PRWORA was passed. The proportion of individuals exiting the FSP that had earnings did not change substantially over the 1990s (Table 12). Overall, fewer than one-third of people who exited the

FIGURE 7

SIPP-BASED AVERAGE GROWTH, REPLACEMENT, AND EXIT RATES BY SUBGROUP, 1990-1999

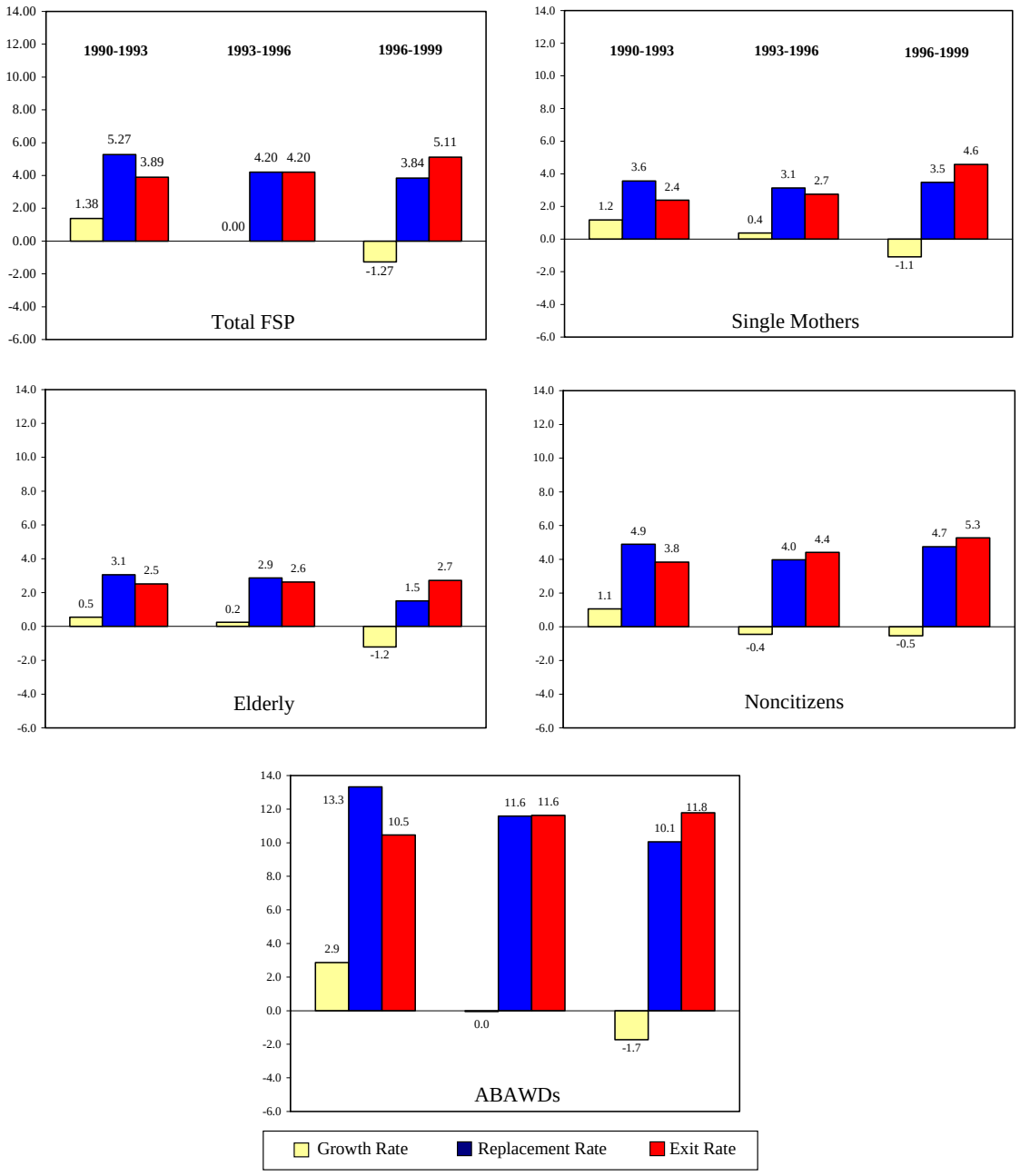


TABLE 12

OUTCOMES FOR FSP-EXITERS, 1990-1999

	Percent of Individuals Exiting with Earnings	Percent of Individuals Exiting Out of Poverty
Caseload Growth I		
August 1990 – July 1993	29.2	61.5
Caseload Growth II		
August 1993 – July 1996	30.8	59.9
Caseload Decline I		
August 1996 – October 1999	30.2	56.1

FSP have earnings. At the same time, the proportion of leavers with incomes above the federal poverty line decreased from an average of 61.5 percent in the early 1990s to an average of 56.1 percent in the late 1990s.